

Senate Fiscal Agency
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House Bill 5643 (S-1 as passed by the Senate)

Committee: Appropriations

FY 2001-02 Year-to-Date Gross Appropriation	\$525,121,600
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Changes from FY 2001-02 Year-to-Date:

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| 1. Gear-up Program. The Governor, House, and Senate recommendations include a new Federal grant for working with at-risk middle school students to encourage success in secondary and post-secondary education. | 3,000,000 |
| 2. Federal Funding Increases. The Governor, House, and Senate include Federal increases of \$1,155,800 for vocational rehabilitation, \$2,103,900 for employment training services, and \$1,500,000 for Carl D. Perkins vocational education programs. | 4,759,700 |
| 3. Michigan Career and Technical Institute. The Governor recommends additional Federal funding for data lines and utilities. The House and Senate concur. | 349,700 |
| 4. Program Reductions to Fund Economic Adjustments. The Governor, House, and Senate reduce personnel by 2.0 FTEs and \$145,300 to fund economic adjustments. | (145,300) |
| 5. Information Technology. The Governor, House, and Senate recommend transferring 50.0 FTEs to the Department of Information Technology. | |
| 6. Unclassified Salaries. The Governor, House, and Senate recommend a 2.0% increase in the line item that funds unclassified salaries. | 9,900 |
| 7. Vocation Rehabilitation Independent Living. The Senate provides a 2% increase to \$3,229,000. | 63,300 |
| 8. Personal Assistance Services. The Senate provides a 2% increase to \$471,200. | 9,200 |
| 9. Precollege Programs in Engineering and the Sciences. The Senate restores funding to \$1,044,700, the FY 2001-02 level prior to Executive Order reductions. | 104,500 |
| 10. Council of Michigan Foundations. The Senate recommends restoring the program to \$6,000,000. | 2,000,000 |
| 11. Focus: HOPE. The Governor, House, and Senate recommend maintaining this program at \$5,994,300. | 0 |
| 12. Economic Adjustments. | 1,468,600 |
| 13. Other Changes. The Governor and House increase expenditure authority for private Occupational School license fees by \$100,900 and remove discontinued payments of \$346,400 related to the 1997 early retirement program. The Senate adds a \$100 placeholder for possible Federal grants to the Michigan Virtual University and a (\$100) placeholder for early retirement savings. | (245,500) |
| 14. Comparison to Governor's Recommendation. The Senate is over the Governor's Recommendation by \$2,177,100 Gross. \$177,000 GF/GP is at the Governor's level. | |

Total Changes	\$11,374,100
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FY 2002-03 Senate Gross Appropriation	\$536,495,700
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Changes from FY 2001-02 Year to Date:

1. **General Sections.** The Governor deletes the following sections: Privatization, Foreign Goods, Deprived and Depressed, Notification of Grants, Affirmative Action, Retention of Reports. The House and Senate retain these sections. The Governor eliminates the current requirement that each agency provide a list of the reports published on the Internet in the last three months and the Internet site of each. The House and Senate retain this requirement.
2. **Early Retirement Savings.** The Governor's revised recommendation (submitted after House action) recognizes savings from the State's early retirement program. It requires the State Budget Director to request legislative transfers by November 15, 2002 to apply early retirement savings to affected line items. The Senate concurs. (Sec. 261)
3. **Work First Participation Requirements.** The Governor recommends that the participation requirement be set at 40 hours per week, deletes reporting requirements, deletes the requirement that DCD and the Family Independence Agency (FIA) should have joint guidelines on how educational programs count toward the work requirement. Instead, the bill provides that the guidelines should not conflict and should be presented to applicants at a joint orientation. The Governor also recommends deleting authorization for a participant to enroll in a second short-term training program, if the combined training does not exceed 6 months. The House sets the participation requirement at "up to 40" hours per week, requires consideration for transportation issues, retains the option for a second training program, and allows 1 year of a 2-year undergraduate program or the last year of a 4-year undergraduate program. The Senate sets participation requirement at "up to 40" hours per week, requires consideration for transportation issues, retains ability for a client to have a second short training program, maintains reporting requirements, eliminates requirement for FIA to have consistent guidelines, and adopts the other Governor's recommendations. (Sec. 305)
4. **Veterans Outreach Specialist for Work First Offices.** The Governor recommends deleting the requirement that DCD ensure that veterans employment specialists have the equipment and the ability to continue to work in the same manner as prior to February 1, 1999. The House and Senate maintain current law. (Sec. 311)
5. **School Fee Fund.** The Governor, House, and Senate recommend creation of fund to receive operating revenues from collections on defaulted loans and proprietary school fees. (Sec. 316)
6. **Adult Education.** The Governor recommends deleting language which specifies the distribution of adult education funds in the School Aid budget. States that adult education funds in the DCD budget should be used for administration of adult education and partnership for adult learning programs. The House and Senate maintain current law. (Sec. 319)
7. **Ticket to Work.** The Governor and House recommend deleting a requirement that DCD work with the Department of Community Health to establish a Medicaid buy-in program for disabled persons who work. The Senate retains the language. (Sec. 320)
8. **Created for Caring.** The Executive and Senate recommend deleting language that requires DCD and FIA to work together to assist Created for Caring to compete for Welfare-to-Work grants. The House maintains current law.
9. **Michigan Works! Service Centers.** The Governor recommends deleting language that requires DCD to allocate sufficient funds for service center to remain fully operational. The House and Senate maintain current law. (Sec. 326)
10. **Intent Language on Loan Program for Assistive Technology.** The Governor recommends deleting intent language that DCD would work with the Disability Rights Coalition to identify possible sources of State funding that could be used to match Federal or private funds to create a loan program for assistive technology for persons with disabilities. The House and Senate maintain current law. (Sec. 327)
11. **Michigan Virtual University.** The Senate recommends that the Department use available resources to support technology-based workforce development and career planning and promote technology partnerships between public education and the business sector. (Sec. 328)
12. **Work First Funding Distribution.** The Senate added language requiring the Department to maintain current funding distribution. (Sec. 330)
13. **Focus HOPE.** The Senate adds reporting language for this grant allocation. (Sec. 329)

Date Completed: 5-16-02

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This analysis was prepared by nonpartisan Senate staff for use by the Senate in its deliberations.

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